

LNF & IHCIF Calculations Illustration

- SENECA HL PR in Nashville area -

Given Data

- 4,722 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 35% = % Expenditures on purchased services, 65% = % expenditures in-house
- 103.4% = Cost index for purchasing health care in this geographic area
- 113.5% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,090 per person for purchased services = $35\% * 103.4\% * \$2,980$
- \$2,185 per person for in-house services = $65\% * 113.5\% * \$2,980$
- \$3,275 per person total = \$1,090 (purchase) + \$2,185 (in-house)
- **\$3,142 per person total** adjusted for health status = $\$3,275 * 95.9\%$
- **\$2,397 per person net cost** = $\$3,142 - \745 Other resources (M&M&PI)

Existing Expenditures (for 4,722 users excluding wrap-around and collections)

- \$1,447 per person = local IHS allowance (excludes \$ for wrap-around)
- \$155 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,655 per person for OU users** = $\$1,447 + \$155 + \$54$

LNF Calculation

- **52.7% Gross LNF** = $\$1,655$ (expenditures) / $\$3,142$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **69.1% Net LNF** = $\$1,655 / \$2,397$ net cost ($\$3,142 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 69.1% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

SENECA HL PR Unmet Needs

- **\$11,316,718 Net Total Need** = $4,722$ users * $\$2,397$ net cost
- **\$3,499,868 Net Unmet Need** = $(100\% - 69.1\% \text{ LNF}) * 4,722$ users * $\$2,397$ net cost